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ONE HUNDRED SIXTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
MINORITY (202) 225-5051
TTY (202) 225-6852
July 22, 1999

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BY FACSIMILE

The Honorable Carol M. Browner
Administrator
Environmental Protection Agency
401 M Street, S.W.
Washington, DC 20460

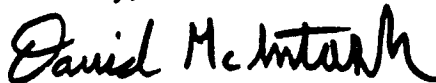
Dear Administrator Browner:

As indicated in my June 30, 1999 letter to you, I am sending additional questions about the Environmental Protection Agency's (EPA's) June 23rd response to the joint May 27th letter from Chairman Don Nickles and me.

Pursuant to the Constitution and Rules X and XI of the United States House of Representatives, please provide the Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs with detailed information in response to the attached questions regarding EPA's role in global climate change policy.

Responses should be delivered to the Subcommittee office in B-377 Rayburn House Office Building not later than noon on Wednesday, August 4, 1999. If you have any questions about this request, please contact Staff Director Marlo Lewis at 225-1962. Thank you for your attention to this matter.

Sincerely,



David M. McIntosh

Chairman

Subcommittee on National Economic Growth,
Natural Resources and Regulatory Affairs

Attachment

cc: The Honorable Don Nickles
The Honorable Larry Craig

The Honorable Dan Burton
The Honorable Dennis Kucinich

Q1. In response to Question 5a on early action crediting, EPA quotes the following statement from its recent climate change report to Congress: "EPA will expand its work with [key energy intensive] industries and work across the Administration to help develop the basis for a program that could provide appropriate credit for early action." EPA also states: "EPA will work with key industries to identify areas where and the means by which environmental and economic benefits could be obtained from early action to reduce greenhouse gas emissions."

- a. Please describe the work EPA has done to date with industry to develop the basis for an early action crediting program. Please provide copies of all letters, documents, e-mails, or other written communications sent by EPA to executives or representatives of companies in key industries on the subject of early action crediting.
- b. As you know, some environmental groups claim that early action crediting would reward companies for making emission reductions that would have occurred anyway without any special incentive or inducement -- the so-called "anyway tons" problem. What is EPA's view of this criticism? Does EPA believe that, under a well-designed early action program, the credits would be valuable enough to motivate companies to make energy-efficiency, carbon reduction, or carbon sequestration investments they otherwise would not make?

Q2. In response to Question 7 on the "Binational Toxics Strategy: Stakeholder Forum," EPA states: "The minutes of the meeting make clear that the quotes you attribute to EPA are, in fact, statements made by stakeholders who attended the meeting representing other organizations. Such statements do not represent EPA's position."

- a. Please identify the stakeholder(s) who suggested that a "system of early reduction credits" would make fuel switching from coal to natural gas less expensive as a mercury emissions control strategy if fuel switching were also required to comply with future regulation of CO₂.
- b. Please provide the complete text of EPA's minutes of that meeting.

Q3. In response to Question 9a on EPA's proposed settlement with the Natural Resources Defense Council (NRDC), EPA states that it "proposed simply to update a series of multi-pollutant analyses of utility emissions that were first undertaken more than two years ago." However, several aspects of this case remain perplexing. NRDC did not sue EPA for failing to regulate CO₂. EPA has no obligation under the Clean Air Act to regulate CO₂. Furthermore, although CO₂ regulation could be used to control mercury emissions, regulating CO₂ presumably is not the most direct, effective, or politically feasible means of controlling mercury emissions.

- a. Taking into account the issues raised above, please explain more clearly why EPA, to settle a lawsuit over its alleged failure to regulate mercury pollution, agreed to examine regulatory strategies to control emissions of CO₂.
- b. Please provide the Subcommittee with the original series of multi-pollutant analyses that EPA now proposes to “update.” In your document submission, please identify or highlight the analysis (or analyses) showing the effect of mercury regulation on CO₂ emissions and the effect of CO₂ regulation on mercury emissions.

Q4. In response to Question 13 on Jerry Taylor’s assessment that the Climate Change Technology Initiative (CCTI) is not cost-effective, EPA claims that “for every dollar that EPA spends on these [CCTI] programs, organizations and consumers are saving more than \$70, and pollution is being substantially reduced.”

- a. Has EPA conducted an economic analysis documenting the claim that its CCTI programs generate \$70 in savings for every \$1 invested? If so, please provide a copy of that analysis to the Subcommittee.
- b. Has EPA’s estimate been peer-reviewed by qualified independent researchers? If so, please provide the reviewers’ names and contact information, copies of the peer review comments submitted to EPA, and any citations to the professional economics literature where independent confirmation of EPA’s estimate has been published.